



## Appendix “A”

### Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations

The Universal Market Integrity Rules are hereby amended as follows:

1. Rule 1.1 is amended by:
    - (a) in the definition of “dealer-restricted person”, deleting the phrase “Market Maker Obligations” and substituting “Marketplace Trading Obligations”;
    - (b) deleting the definition of “Market Maker Obligations”; and
    - (c) inserting the following definition of “Marketplace Trading Obligations”:

**“Marketplace Trading Obligations”** means obligations imposed by:

      - (a) Marketplace Rules on a member or user or a person employed by a member or user to guarantee:
        - (i) a two-sided market for a particular security on a continuous or reasonably continuous basis, or
        - (ii) the execution of orders for the purchase or sale of a particular security which are less than a minimum number of units of the security as designated by the marketplace; or
      - (b) contract between a marketplace and a member, user or subscriber to guarantee the execution of orders for the purchase or sale of a particular security which are less than a minimum number of units of the security as stipulated by the terms of the contract provided such number is less than one standard trading unit and the orders for the member, user or subscriber are automatically generated by the trading system of the marketplace.
2. Subsection (3) of Rule 2.2 is amended by:
  - (a) inserting after the phrase “Marketplace Rules” the phrase “or terms of the contract with the marketplace”; and
  - (b) deleting each occurrence of the phrase “Market Maker Obligations” and substituting “Marketplace Trading Obligations”.
3. Clause (b) of subsection (2) of Rule 3.1 is deleted and the following substituted:



- (b) made in furtherance of the Marketplace Trading Obligations of that marketplace.
- 4. Subsection (2) of Rule 3.2 is amended by:
  - (a) deleting the phrase “an Exchange or QTRS in accordance with the Marketplace Rules” and inserting “a marketplace”; and
  - (b) deleting the phrase “applicable Market Maker Obligations” and substituting “Marketplace Trading Obligations of that marketplace”.
- 5. Clause (a) of subsection (3) of Rule 3.2 is deleted and the following substituted:
  - (a) in furtherance of the Marketplace Trading Obligations of that marketplace.
- 6. Subclause (i) of clause (b) of subsection (2) of Rule 5.3 is deleted and the following substituted:
  - (i) automatically generated by the trading system of a marketplace in respect of the Marketplace Trading Obligations of that marketplace.
- 7. Subsection (7) of Rule 7.7 is deleted and the following substituted:
  - (7) **Transactions by Person with Marketplace Trading Obligations** - Despite subsection (1), a dealer-restricted person with Marketplace Trading Obligations for a restricted security may, for their trading account in respect of such Marketplace Trading Obligations:
    - (a) with the prior approval of a Market Integrity Official, enter a bid to move the calculated opening price of a restricted security to a more reasonable level;
    - (b) purchase a restricted security pursuant to their Marketplace Trading Obligations; and
    - (c) bid for or purchase a restricted security:
      - (i) that is traded on another marketplace or foreign organized regulated market for the purpose of matching a higher-priced bid posted on such marketplace or foreign organized regulated market,
      - (ii) that is convertible, exchangeable or exercisable into another listed security for the purpose of maintaining an appropriate conversion, exchange or exercise ratio, and



- (iii) to cover a short position resulting from sales made under their Marketplace Trading Obligations.

The Policies to the Universal Market Integrity Rules are hereby amended as follows:

1. Clause (d) of Part 1 of Policy 2.1 is deleted and the following substituted:
  - (d) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person subject to the Marketplace Trading Obligations:
    - (i) execute with one or more of the orders, or
    - (ii) purchase at a higher price or sell at a lower price with one or more of the ordersin accordance with the Marketplace Trading Obligations that would not be imposed if the orders had been entered on the marketplace as a single order or entered at the same time.
2. Policy 7.7 is amended by:
  - (a) in Part 3, deleting each occurrence of the phrase “Market Maker Obligations” and substituting “Marketplace Trading Obligations”; and
  - (b) deleting Part 5 and substituting the following:

#### **Part 5 – Trading Pursuant to Marketplace Trading Obligations**

Under Rule 7.7(7)(b), a dealer-restricted person with Marketplace Trading Obligations for a restricted security may, for their trading account in connection with such Marketplace Trading Obligations, purchase a restricted security pursuant to their Marketplace Trading Obligations. Not every purchase of a restricted security by a person with Marketplace Trading Obligations will be considered to undertaken pursuant to their Marketplace Trading Obligations. For example, if a market making system of an Exchange or QTRS permits a market maker to voluntarily participate in trades that participation may only result in purchases that are:

- made at prices which are permitted by Rule 7.7(4)(a); or
- to cover a short position resulting from sales made under their Marketplace Trading Obligations.

Use of a voluntary participation feature in other circumstances, may result in the market maker not complying with the prohibitions or restrictions on trading under Rule 7.7.